MONTANA LEGISLATIVE HISTORY

Chapter 226 19 95

Bill H 342 S _____ Original bill & history ___C

H. Committee on	Business & Labor		S. Committee on	Business & Industry	
Hearing Date(s)	Feb 07	✓ C	Hearing Date(s)	Mar 08	✓ C
	_____	___C		_____	___C
	_____	___C		_____	___C
	_____	___C		_____	___C
Date Out	Feb 07	✓ C		Mar 08	✓ C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

	RETURNED TO HOUSE WITH AMENDMENTS		
3/31	2ND READING AMENDMENTS CONCURRED	96	0
4/03	3RD READING AMENDMENTS CONCURRED	98	1
4/05	SIGNED BY SPEAKER		
4/06	SIGNED BY PRESIDENT		
4/07	TRANSMITTED TO GOVERNOR		
4/12	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 369		
	EFFECTIVE DATE: 04/12/95		

HB 341 INTRODUCED BY LARSON

FACILITATE DIVERSIFICATION OF STATE TRUST LAND HOLDINGS AND IMPROVE INCOME-PRODUCING POTENTIAL FOR THE SCHOOL TRUST BY REVISING METHOD OF EXCHANGING STATE TRUST LAND FOR PRIVATE LAND

1/26	INTRODUCED		
1/26	FIRST READING		
1/26	REFERRED TO NATURAL RESOURCES		
1/27	FISCAL NOTE REQUESTED		
2/01	HEARING		
2/01	FISCAL NOTE RECEIVED		
2/01	FISCAL NOTE PRINTED		
2/13	TABLED IN COMMITTEE		
2/18	MOTION FAILED TO TAKE FROM COMMITTEE AND PLACE ON 2ND READING	32	52
2/23	MISSED TRANSMITTAL DEADLINE		
	DIED IN COMMITTEE		

HB 342 INTRODUCED BY PAVLOVICH

REVISE CONTRACTUAL RELATION BETWEEN SUPPLIERS AND DISTRIBUTORS OF TABLE WINE

1/26	INTRODUCED		
1/26	FIRST READING		
1/26	REFERRED TO BUSINESS & LABOR		
2/07	HEARING		
2/08	COMMITTEE REPORT—BILL PASSED		
2/10	2ND READING PASSED	97	0
2/11	3RD READING PASSED	100	0
	TRANSMITTED TO SENATE		
2/20	FIRST READING		
2/20	REFERRED TO BUSINESS & INDUSTRY		
3/08	HEARING		
3/09	COMMITTEE REPORT—BILL CONCURRED		
3/11	2ND READING CONCURRED	39	0
3/13	3RD READING CONCURRED	49	0
	RETURNED TO HOUSE		
3/15	SIGNED BY SPEAKER		
3/18	SIGNED BY PRESIDENT		
3/20	TRANSMITTED TO GOVERNOR		
3/24	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 226		
	EFFECTIVE DATE: 10/01/95		

HB 343 INTRODUCED BY HOLLAND, ET AL.

PROVIDE EXEMPTION FROM THE COAL SEVERANCE TAX FOR A CERTAIN AMOUNT OF COAL PRODUCED FOR A COAL ENHANCEMENT FACILITY

1/26	INTRODUCED		
1/26	FIRST READING		

Questions From Committee Members and Responses:

REP. COCCHIARELLA questioned the amending of the language by the Senate. **SEN. KEATING** reported **SEN. VAN VALKENBURG** said he thought the language was bad and did not want to clutter up the statutes.

CHAIRMAN SIMON asked if there were any companies that would employ a petroleum land man for their own staff. **SEN. KEATING** said there are land men who are on staff and are drawing wages and the ABC Rules they are definitely employees and they are subject to unemployment insurance and workers' compensation coverage. **CHAIRMAN SIMON** then asked, given the stricken language, how someone who works for a company as a petroleum land man could be differentiated from land men who are independent. This is not specified in the bill. **SEN. KEATING** indicated that language could be put into the bill and again, it would be to his favor.

CHAIRMAN SIMON questioned if **Mr. Hunter** had seen the bill. A petroleum land man working for a major oil company could be excluded from coverage from this bill. **Mr. Hunter** said that under the current language, any kind of land man working for wages or working independently would both be excluded. **CHAIRMAN SIMON** said it would be proper to reinsert that language.

Closing by Sponsor:

The sponsor closed.

HEARING ON HB 342

Opening Statement by Sponsor:

REP. BOB PAVLOVICH, HD 37, Silver Bow County, said this bill was an act revising the contractual relation between suppliers and distributors of table wine; referencing the applicability of Montana statutory provisions and prohibiting price control.

Proponents' Testimony:

Tom Hopgood, Montana Beer and Wine Wholesalers Association, said this will would require that individual wine distribution contracts be interpreted by the laws of Montana and that any contract provisions contrary to Montana law are void. The wine laws passed in 1991 have been obviated by inserting a provision into the contract. It would also prevent a winery from fixing or maintaining the wholesale price at which the distributor sells wine to the wholesaler. This is a practice which is already prohibited by law and the bill is simply clarifying that the winery cannot set the wholesale price of wine.

Dale Markovich, Butte Beer and Wine Wholesaler, said the bill requests that out-of-state,, in state wineries act according to the wine franchise law.

Harry Watkins, Zip Beverage said he supports this bill.

Opponents' Testimony:

Mona Jamison, Wine Institute, said they stand in opposition to section 1 of the bill because it is prohibitive but do support section 2.

Questions From Committee Members and Responses:

REP. ELLINGSON asked **Ms. Jamison** why she did not want the agreements interpreted under the laws of Montana. **Ms. Jamison** said she did not know enough about it to say that under all circumstances Montana law should prevail. There may be some very legitimate times when some other state statute should prevail in the interpretation. That can be resolved. A passing of this position actually would resolve that issue if there is some other law that affects what state statutes control the interpretation. **REP. ELLINGSON** said in any dispute that arises under a distributorship agreement there is probably going to be resolution in Montana. **Ms. Jamison** said yes. **REP. ELLINGSON** then said they would be asking a judge or jury to apply the body of law to one particular entity. If it is not Montana, judges will be asked to educate themselves in the law of New York, California or some other jurisdiction about which he or she will probably know practically nothing in understanding of that. He asked whether that creates sufficient difficulties that, simply as a matter of convenience, the law of Montana should apply. **Ms. Jamison** said no because that same philosophy could be applied to the legislature where many people, including the lobbyists at the beginning, don't understand the full body and implications of a bill that they may be working on and as time goes on do educate themselves. She said she did feel that convenience of the court is necessarily a compelling social reason to get into this area.

REP. COCCHIARELLA asked why there was a time when all agreements should be governed by the laws of Montana. **Mr. Watkins** said it is a mutual "finding of each other" which is the situation. There are various wineries looking for new wholesalers. **REP. COCCHIARELLA** asked whether, if an agreement was negotiated, both the winery and the wholesaler would sign a contract that is created. **Mr. Watkins** said in most instances there are canned contracts that are given to the wholesalers. There is not a lot of negotiating involved. If a wholesaler wants a specific brand, they accept the contract as is. The wholesalers want the language so there is comfort level that there are certain rights. They will know what laws prevail and the installation of the termination clause.

REP. LARSON said Montana was a relatively small percent of the volume of the wine. He asked **Mr. Watkins** whether Montanans would pull out of Montana if the contracts were not to their liking. **Mr. Watkins** said that was a very minor possibility and these were not very drastic obligations to live up to. **REP. LARSON** asked what other states do this. **Mr. Hopgood** said he did not know. He did say, however, under the alcohol distribution laws that have been interpreted since the end of prohibition, the states have been given the widest possible latitude to control distribution.

CHAIRMAN SIMON said Montana had its own insurance laws. Those insurance laws may affect the products and the relationships insurance companies have with regard to the consumers of Montana. Montana laws would then apply to insurance contracts. He asked whether **Ms. Jamison** said she did not know. **CHAIRMAN SIMON** said if it were required by law that all of the insurance contracts in property and casualty or health and life be written in plain English, that would be a requirement that insurance companies must then follow even though they may not need to follow that in other states. **Ms. Jamison** said yes.

REP. ELLIS asked what areas held this problem. **Mr. Hopgood** said the bill contained the provisions of the bill. There are 60 days to cure the performance of the contract. A supplier cannot withhold its approval of the transfer of the distributorship.

REP. EWER asked whether, if this bill were enacted, it would be retroactive. There seems to be quite an overlay of federal and state law dealing with the alcohol industry. He wondered whether it would be necessarily true that one could make the claim that one state could encourage another state. Each state may have a sovereign and compelling interest in how it handles its affairs within the alcohol business. If the committee does not know for sure that contracts, regardless of when they are made, are subject to the absolute provisions of another state, **REP. EWER** requested his stating this be on the record. **Mr. Hopgood** said he was getting into a highly theoretical area of the law which is called conflict of laws. This indicates which laws, be they federal or state, apply. The basic common rule on contracts is the contract is generally to be interpreted by the law of the state where the contract is performed. In this situation the contract is to be performed in the state of Montana. The wholesaler obtains his wine in Montana and distributes that wine to retailers in the state. Without a provision in the contract that says it is to be governed by the state, it would in fact be governed by Montana. If there is a contract which deals with alcohol, the states have been given the widest possible latitude in exercising their sovereignty over that distribution of alcohol. The writing must be filed with the Liquor Division of the Department of Revenue. That contract must follow the provisions in subsection 2.

CHAIRMAN SIMON asked why California wineries would not want to comply with Montana laws, if there is something different in

Vote: Motion to adopt the amendments of SB 125 carried 18-0.

Motion/Vote: REP. ELLIS MOVED SB 125 BE CONCURRED IN AS AMENDED. Motion carried 18-0 with REP. FELAND carrying the bill on the floor.

EXECUTIVE ACTION ON HB 342

Motion: REP. PAVLOVICH MOVED HB 342 DO PASS.

Vote: Motion carried 18-0 on HB 342.

EXECUTIVE ACTION ON HB 272

Motion: REP. COCCHIARELLA MOVED HB 272 DO PASS. REP. COCCHIARELLA MOVED THE AMENDMENTS.

Discussion:

REP. COCCHIARELLA explained the amendments.

REP. MILLS said it was a shame this issue must come to the legislature to require a business to do what they should do on their own.

Vote: Motion carried to adopt the amendments on HB 272. Motion carried 18-0.

Motion/Vote: REP. COCCHIARELLA MOVED DO PASS AS AMENDED. Motion carried 18-0.

EXECUTIVE ACTION ON HB 344

Motion: REP. PAVLOVICH MOVED TO TABLE HB 344.

Vote: Motion carried 18-0.

CHAIRMAN SIMON requested a recess at 9:20 AM. Committee reconvened at 10:00 AM.

HEARING ON HB 387

Opening Statement by Sponsor:

REP. WILLIAM BOHARSKI, HD 79, Flathead County stated this bill was an act clarifying that an insurer may give premium discounts to an insured based upon favorable aspects of the insured's driving record.

HOUSE OF REPRESENTATIVES

BUSINESS AND LABOR COMMITTEE

ROLL CALL DATE 2-7-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Bruce Simon, Chairman	X		
Rep. Norm Mills, Vice Chair, Maj.	X		
Rep. Bob Pavlovich, Vice Chair, Min.	X		
Rep. Joe Barnett	X		
Rep. Vicki Cocchiarella	X		
Rep. Charles Devaney	X		
Rep. Jon Ellingson	X		
Rep. Alvin Ellis, Jr.	X		
Rep. David Ewer	X		
Rep. Rose Forbes	X		
Rep. Jack Herron	X		
Rep. Bob Keenan			X
Rep. Don Larson	X		
Rep. Rod Marshall	X		
Rep. Jeanette McKee	X		
Rep. Karl Ohs	X		
Rep. Paul Sliter	X		
Rep. Carley Tuss	X		

HOUSE STANDING COMMITTEE REPORT

February 7, 1995

Mr. Speaker: We, the committee on **Business and Labor** report that **House Bill 342** (first reading copy -- white) **do pass.**

Signed: _____
Bruce Simon, Chair

Committee Vote:
Yes 18, No 0.

321449SC.Hbk

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

Business & Labor DATE 2-7-95

BILL NO. HB 342 SPONSOR(S) _____

PLEASE PRINT PLEASE PRINT PLEASE PRIN

NAME AND ADDRESS	REPRESENTING	Support	Oppose
Tom Hopgood	Mt. Beer/Wine Wholesale	✓	
Dale Markovich	" " "	✓	
Harry Watkins	" " "	✓	
Don Brocopp	" " "	✓	
Ed Brandt	" " "	✓	
Mona Jamison	~~Mt~~ WINE INST.		✓
~~Reg~~			
Charles R. Brooks	MT Food Dist Assoc	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FOR ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

Butte, along with the Teamster's. They had a problem getting beer. They had to go to Bozeman and Great Falls to purchase their beer as they didn't dare cross the picket line being from a union town. He declared after about two weeks, the wholesalers in Butte informed the wholesalers elsewhere not to sell them any beer. **REP. PAVLOVICH** maintained they had to come back to the legislature to adopt a rule that said as long as a person owns an "all beverage license", the wholesaler must sell the beer.

HEARING ON HB 342

Opening Statement by Sponsor:

REP. BOB PAVLOVICH, HD 37, Butte, said **HB 342** was a wine distributor bill. In 1991 the legislature enacted section 16-3-416, MCA which contained statutory safeguards for wine distribution contracts. The safeguards were enacted because of an unfair practice of wineries in dealing with Montana wine distributors. He explained among other provisions, the 1991 law required wineries to give 60 days notice of contract termination for reasons other than bankruptcy or loss of license. He stated the law allowed the terminated distributor 60 days to cure any deficiency in his performance of the wine distributor contract.

REP. PAVLOVICH explained the law also required the supplier to pay for the laid-in cost of inventory and for the liquidation damages of termination. He said what had occurred since 1991, (time of enactment of the law) some wineries had resorted to the preparation of contracts which were contrary to the Montana statutes. They had contracts with wineries that were made out-of-state and did not conform to Montana law. He said **HB 342** stated when they sold wine in the State of Montana, they would have a contract made in Montana under Montana law.

Proponents' Testimony:

Tom Hopgood, Montana Beer and Wine Wholesalers Association, explained what had been experienced with the 1991 law was contracts being prepared by the wineries, which were one-sided in favor of the wineries. He said the problem was addressed by the legislature in 1991 to insert certain safeguards into the law governing the termination of contracts, the payment of liquidated damages and the opportunity to cure defects and performance, etc. They thought those were very important provisions.

Mr. Hopgood stated; however, the wineries were simply sidestepping the projections they had put into the statute by saying the contract was governed by, for example, the State of Washington, or the State of New York. He had a couple of contracts to show the committee, one being from the Stimson Lane Winery in Washington, which had a number of provisions that were completely contrary to the statutory projections in Montana law.

Mr. Hopgood contended the contract shortened the time interval in which a winery had to give notice of termination. He stated, more significantly, the contract allowed the winery to pay damages to the distributor at their sole discretion. He declared Montana law stated the winery must pay those damages and also laid-in inventory; under the Washington contract that was optional. **Mr. Hopgood** claimed the other contract was from the Canandaigua Wine Company (both contracts had been left with the House Business & Labor Committee), and was thought to be even more overbearing than the Stimson Lane contract.

Mr. Hopgood maintained some of the wineries had overstepped their bounds in getting around the Montana law. He said the state had wide discretion in regulating the distribution of alcoholic beverages within the state; also, the state imposed the policy on wine franchise contracts and should be enforceable within the borders of the state. He contended **HB 342** also prevented the wineries from setting or maintaining the wholesale price of wine.

Mr. Hopgood asked the committee's favorable endorsement of **HB 342.**

Harry Watkins, Zip Distributing, Missoula and also the current **President, Beer & Wine Wholesalers Association**, stated his comments on **HB 342** were more personal. They thought under the 1991 law, they were entitled to 60 days notice of termination with a list of deficiencies and the opportunity to correct those deficiencies. He contended; however, last year Canandaigua purchased the rights of the Almaden brand, which Zip Beverage represented in Missoula, and terminated their distributorship on the spot because they wanted to realign those brands with other Canandaigua brands that were represented by another wholesaler. **Mr. Watkins** maintained they were the largest Almaden wholesaler in the state and had represented them since wines began being represented by wholesalers, about 1979.

Mr. Watkins stated they had lost 30 to 40% of their wine business in one day with no consideration for their investment, warehouse, vehicles, or their manpower situation. He said their competitor now controlled over 75% of the wine business in their area and also their wine manager was no longer with them. He claimed they were basically struggling to remain in the wine wholesale business. **Mr. Watkins** expressed there were times when wineries needed to realign their brands for various reasons and he said the 60 days notice was not unreasonable considering their obligations were all very long-term. He reported their warehouse cost over $900,000 and they had a fleet investment exceeding $500,000; both were financed at a bank. **Mr. Watkins** related had they had 60 days notice of deficiencies, they would have been very motivated to eliminate those deficiencies or performance problems.

Opponents' Testimony:

Mona Jamison, Wine Institute, said they were was an association of out-of-state producers of wine. The **Wine Institute** was primarily California wineries. They were supporting Section 2, which stated they could not price fix. The focus of **Ms. Jamison's** testimony related to the proposed changes in Section 1. The 60 days notice already was the law. The **Wine Institute** thought it was very reasonable because of the costs of inventory, stocking, etc. That was the law; however, the law had been broken by a number of suppliers. She said assuming Canandaigua was a "bad player", how far did the law go, as a matter of public policy of attempting to fix every wrong by regulating the market.

Ms. Jamison suggested if Canandaigua did violate Montana statute there were remedies which were outside this legislature. She said one remedy may be to go to court. She stated weigh at what point did it serve public policy to address every market breach by trying to change the statute. They supported those provisions in 1991. They worked very hard with **REP. PAVLOVICH** and **Roger Tippy** (who was the lobbyist at that time for the distributors) to make sure the provision for the law in Section 1 went into it and they thought those were reasonable. She said to add subsections (6) and (7) now would still be the conflict of laws question as New York's may read the same under the "laws of New York". She said this would not solve the problem.

Ms. Jamison stated they urged a be concurred in on Section 2 and they urged a do not concur on Section 1 proposal.

Questions From Committee Members and Responses:

SEN. MIKE SPRAGUE asked **Mr. Watkins** about the agreement of notification, re-notification, and correction of problems. On the testimony given by **Mr. Hopgood** would **Mr. Watkins** explain why he couldn't rectify enough to keep the contract. **Mr. Watkins** stated their contract was with Almaden and that contract also had a few quirks in it. They didn't have a corrected contract at the time and therefore, didn't think they were obligated under this statute to give them any notice.

SEN. SPRAGUE commented to **Ms. Jamison** that nationally there had been a deregulation of interstate marketing, banking, etc., where the market was opening up and also states rights were being heard. Should they assume, with all the state regulations, that a distributor (a winery) would not be somewhat sensitive to states' rights. **Ms. Jamison** said **Mr. Hopgood** stated he left the contract with Canandaigua down in the House Business and Labor Committee, but **Mr. Watkins** was with Almaden and why did the distributor sign the contract. At what point do people say "I'm not signing this, it is coercive, these are the provisions in Montana law and what you are asking me to sign is contrary to what is required".

SEN. SPRAGUE stated he wasn't getting what he wanted from the examples the committee had heard. The winery chose to not honor an assumption, or circumvent state law relative to the law from which they came and thought their law was better than Montana law. **Ms. Jamison** asserted she wanted to make it clear, for the record, she was not here defending Canandaigua.

(Tape: 1; Side: B)

SEN. CASEY EMERSON commented to **Mr. Watkins**, it was Almaden that took the rights to sell that wine away from his distributorship because they had changed ownership. **Mr. Watkins** stated that was correct.

SEN. EMERSON asked **Mr. Watkins** what really hurt him, the present law that let Almaden do that, or was it the fact there was a monopolistic situation the free enterprise system would have cured had they had that system. **Mr. Watkins** stated what had hurt them was the over-all structure, purchases, warehouse capacities, manpower situation, all of which were based on anticipation of certain volume level. The law that was passed in 1991 gave the wholesalers, who had substantial debts and obligations, the opportunity of 60 days to correct deficiencies.

SEN. EMERSON asked **Mr. Watkins** if he had been able to buy under the free trade laws, would he have been hurt. **Mr. Watkins** said had they been able to purchase Canandaigua products at the same time as their competitor, their whole financial situation would have developed differently and they probably would not have been hurt.

Closing by Sponsor:

REP. PAVLOVICH stated **HB 342** was a bill to protect the wine distributors in the State of Montana. They would follow a Montana law and not a law from another state.

REP. PAVLOVICH stated **SEN. J. D. LYNCH** had agreed to carry **HB 342** on the Senate floor.

EXECUTIVE ACTION ON HB 408

Motion: **SEN. STEVE BENEDICT MOVED HB 408 BE CONCURRED IN.**

Discussion: **SEN. KEN MILLER** thanked the committee for the time to check with his constituent about **HB 408**. The message was incorrect as it was **SB 408** that was of a concern. He stated he supported **HB 408**.

Vote: The motion **HB 408 BE CONCURRED IN CARRIED UNANIMOUSLY** by voice vote. **SEN. MILLER** agreed to carry **HB 408** on the Senate floor.

EXECUTIVE ACTION ON HB 549

Motion/Vote: SEN. STEVE BENEDICT MOVED HB 549 BE CONCURRED IN. The motion CARRIED UNANIMOUSLY by voice vote. SEN. GERRY DEVLIN will carry the bill on the Senate floor.

EXECUTIVE ACTION ON HB 286

Motion/Vote: SEN. STEVE BENEDICT MOVED TO ADOPT THE AMENDMENTS HB028601.ABC. The motion CARRIED UNANIMOUSLY by voice vote.

Motion/Vote: SEN. BENEDICT MOVED HB 286 AS AMENDED BE CONCURRED IN. The motion CARRIED UNANIMOUSLY by voice vote.

EXECUTIVE ACTION ON HB 342

Motion: SEN. STEVE BENEDICT MOVED HB 342 BE CONCURRED IN.

Discussion: SEN. WILLIAM CRISMORE stated HB 342 was redundant as it was already covered under the law.

SEN. BENEDICT said he thought the purpose of this bill was to bring the contracts into conformance with Montana law instead of allowing a contract to be executed in another state and under the laws of that state. SEN. BENEDICT stated the crux of HB 342 clarified when a contract was made with a Montana business in the State of Montana then the contract should conform to Montana law.

SEN. KEN MILLER inquired from Bart Campbell, when the contract was made with a New York company and their contract said it would be under New York law, how would HB 342 help those contracts. Mr. Campbell answered that was a complicated area of law. He said often contracts were written which specified which state's law would apply when the parties agreed.

SEN. CASEY EMERSON asked Mr. Campbell if there would be an enforcement problem when the company who signed the contract in Montana and were to abide by New York law; however, they decided to break the contract. He said would it be possible for those people in New York to enforce it out here in Montana. Mr. Campbell related they would be able to enforce it by going through a Montana court if they believed that provision of the contract applied to a New York law. SEN EMERSON stated if the company had followed Montana law when they broke the contract, the court would throw the case out. Mr. Campbell gave his personal opinion and stated had the contract been signed, knowingly, that it applied to New York law, the New York law would be applied to that case.

SEN. TERRY KLAMPE stated **Mona Jamison** tried to make that point when she asked the rhetorical question about "did you sign the contract". **SEN KLAMPE** said **Ms. Jamison** was correct; this could be handled without changing statutes.

SEN. BENEDICT contended **HB 342** was a tool in the law that allowed the Montana wine wholesalers to insist on a contract that was Montana based. He conveyed the wholesalers would have the tool to state they want the contract to conform to Montana law.

SEN. MIKE SPRAGUE agreed with **SEN. BENEDICT**.

SEN. CRISMORE asked the ramifications if someone refused to sign the contract unless they agreed to change the contract; this would protect them. **SEN. BENEDICT** stated that was one of the weaknesses of the 1991 law and **HB 342** gave this protection. **SEN. CRISMORE** asked if this contract would not be binding. **SEN. BENEDICT** deferred that question to **Tom. Hopgood**. **Mr. Hopgood** said the bill did not take away the freedom of the winery to contract in whatever manner; what it did was to keep the winery from being able to push that contract at Montana distributors. **HB 342** keeps things even between the winery and the Montana distributors. **Mr. Hopgood** stated there were provisions in the 1991 law that said they must have the Montana provisions in their contract. He asserted the winery had the opportunity to say "no", then apply the laws to the State of New York.

SEN. EMERSON stated if those wineries didn't comply with Montana law, they would have to quit selling their wine in the entire state. **Mr. Hopgood** said if that were their choice, that was what they would have to do. He said no matter how small the Montana market was, it was still a profitable market and they would not pull out-of-state.

SEN. EMERSON asked **SEN. BENEDICT** if he thought this would cause a lot of renegotiations of contracts that had been written in the past. **SEN. BENEDICT** said the next time the contract came up for renewal, the provisions of Montana law must be included in the contract at that time.

SEN. SPRAGUE noted the effective date was October 1, 1995, which was a new contract basis. **SEN. SPRAGUE** remarked on **HB 286**, the word coerce was used several times in the title and that was basically what the committee was discussing.

SEN. BENEDICT stated this bill to conform to Montana Law would apply to any Montana distributor.

Vote: The motion **HB 342 BE CONCURRED IN CARRIED** 5-3 on roll call vote **#1**.

MONTANA SENATE
1995 LEGISLATURE
BUSINESS AND INDUSTRY COMMITTEE

ROLL CALL DATE 3-8-95

NAME	PRESENT	ABSENT	EXCUSED
STEVE BENEDICT, VICE CHAIRMAN	✓		
WILLIAM CRISMORE	✓		
CASEY EMERSON	✓		
GARY FORRESTER (left meeting - ill)	✓		✓
TERRY KLAMPE	✓		
KEN MILLER	✓		
MIKE SPRAGUE	✓		
BILL WILSON		✓	
JOHN HERTEL, CHAIRMAN	✓		

SEN:1995
wp.rollcall.man
CS-09

SENATE STANDING COMMITTEE REPORT

March 8, 1995

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration HB 342 (third reading copy -- blue), respectfully report that HB 342 be concurred in.

Signed: John Hertel
Senator John R. Hertel, Chair

Amd. Coord.
Sec. of Senate

Sen. J. D. Lynch
Senator Carrying Bill

541127SC.SPV

MONTANA SENATE
1995 LEGISLATURE
BUSINESS AND INDUSTRY COMMITTEE
ROLL CALL VOTE

DATE 3-8-95 BILL NO. HB 342 NUMBER 1

MOTION: HB 342 BC1

NAME	AYE	NO
STEVE BENEDICT, VICE CHAIRMAN	✓	
WILLIAM CRISMORE		✓
CASEY EMERSON	✓	
GARY FORRESTER (signed proxy)	✓	
TERRY KLAMPE		✓
KEN MILLER		✓
MIKE SPRAGUE	✓	
BILL WILSON (absent)		
JOHN HERTEL, CHAIRMAN	✓	

SEN:1995
wp:rlclvote.man
CS-11